



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1156

DATE: July 19, 2012

TO: Iowa Medicaid Nursing Facility and Hospice Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Nursing Facility Quality Assurance Assessment and Hospice

This communication is intended to clarify some basic misunderstandings regarding the nursing facility (NF) quality assurance assessment (QAA); and its application and implication for NF members diagnosed with terminal illness who could benefit from end of life care.

The NF QAA is a fee that is assessed to nursing facilities based on each Medicaid (non-Medicare) patient day. This fee is paid to the IME at the end of each calendar quarter.

It has come to the attention of the IME that a practice is developing among some nursing facilities and hospice organizations pursuant to which hospice organizations are paying nursing facilities for the QAA fee for facility residents receiving hospice care.

Two important points must be made regarding this issue:

- The QAA is **not** assessed for the NF days on which Medicaid members receive hospice. The QAA applies to non-hospice NF days only.
- This practice has the potential to limit NF members' open and free access to hospice care if QAA payments are a condition of the hospice and NF agreements.

Hospice organizations and nursing facilities should also be aware of the risk of non-compliance with federal regulations concerning appropriate compensation. The IME suggests that the legal and ethical implications of participating in QAA reimbursement agreements should be reviewed with your organizations' legal advisors and your professional associations.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.